



# Virginia Local Government Investment Pool

## About the Fund

Fund Rating	<b>AAAm</b>
Fund Type	Stable NAV Government Investment Pool
Investment Adviser	Commonwealth of Virginia Department of the Treasury
Portfolio Manager	Belinda W. Blanchard, CFA
Date Rating Assigned	June 2005
Custodian	J.P. Morgan Chase & Co.

### Principal Stability Fund Ratings Definitions

**AAAm** Safety is excellent. Superior capacity to maintain principal value and limit exposure to loss.

**AAm** Safety is very good. Strong capacity to maintain principal value and limit exposure to loss.

**Am** Safety is good. Sound capacity to maintain principal value and limit exposure to loss.

**BBBm** Safety is fair. Adequate capacity to maintain principal value and limit exposure to loss.

**BBm** Safety is uncertain. Vulnerable to loss of principal value.

**Bm** Safety is limited. Very vulnerable to loss of principal value.

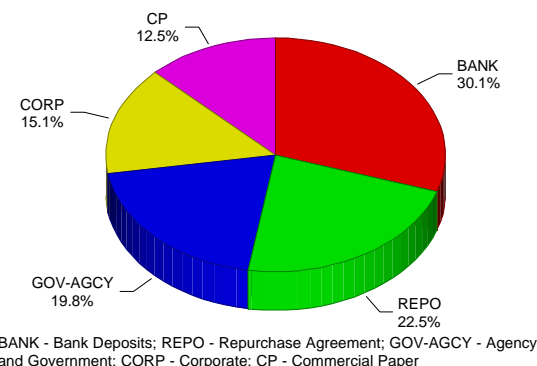
**CCCm** Extremely vulnerable to loss of principal value.

**Dm** Fund has failed to maintain principal value; realized or unrealized losses exceed 0.5% of net asset value.

**G** The letter 'G' follows the rating symbol when a fund's portfolio consists primarily of direct U.S. government securities.

**Plus (+) or Minus (-)** Ratings may be modified to show relative standing within the rating categories.

## Portfolio Composition as of September 28, 2005



### Rationale

The Virginia Local Government Investment Pool is rated 'AAAm' by S&P. The rating is based on S&P's analysis of the fund's credit quality, market price exposure and management skill. The rating signifies excellent safety of invested principal and a superior capacity to maintain a \$1 per share net asset value (NAV) at all times. This is accomplished through conservative investment practices and strict internal controls. The portfolio will be monitored on a weekly basis by S&P.

### Overview

The Virginia Local Government Investment Pool was created in 1981 under the administrative control of the Treasury Board. It was designed to provide all local government units of the Commonwealth of Virginia an investment vehicle for short-term investment of funds. A pooled fund strategy is utilized creating a '2A-7 like' investment for municipalities with the following investment objectives: to minimize the risk of principal loss while offering daily liquidity and a competitive rate of return.

### Management

The Treasury Board of the Commonwealth of Virginia serves as the investment advisor responsible for the day-to-day management of the Pool's assets. The entire Treasury Board meets on a monthly basis to discuss investment strategies, performance and changes to the Investment Policy. All changes to the Investment Policy are done on an as needed basis and have to be cleared by the Treasury Board before they are instituted. All investment decisions are discussed at the monthly meetings, however, ad hoc meetings occur constantly throughout the day where they

discuss maturity strategies, markets, sectors, interest rates, short and long-term economic outlook and general investment strategies. The entire team sits in close proximity and has been working together for almost 25 years.

### Portfolio Assets

The investment objective of the Pool is to achieve current income while preserving capital and maintaining liquidity. The portfolio will invest in high quality, short-term securities denominated in U.S. dollars. Investments generally consist of direct obligations issued by, or obligations that are fully guaranteed as to principal and interest by the U.S. Government, or any of its agencies or instrumentalities, repurchase agreements backed by such securities, certificates of deposits, time deposits, other S&P rated money market funds, commercial paper and short term corporate notes and floaters.

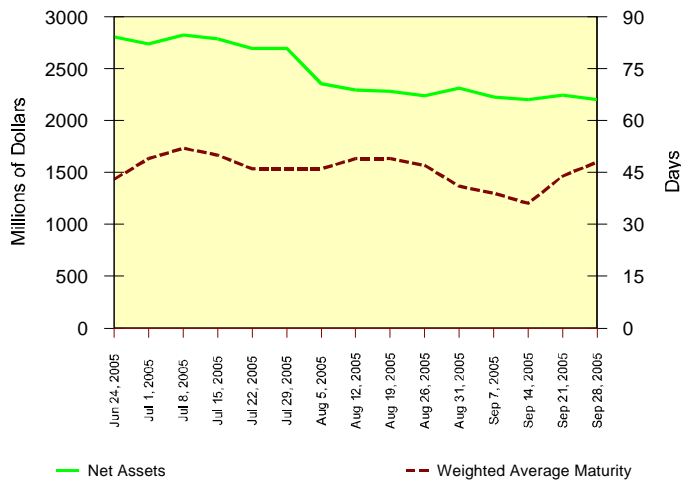
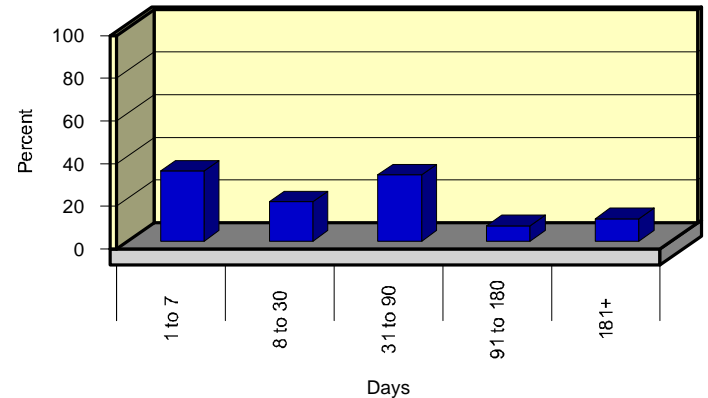
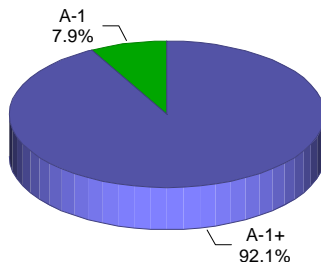
### Standard & Poor's Analyst:

Todd Kerin - (1) 212-438-5074  
www.standardandpoors.com

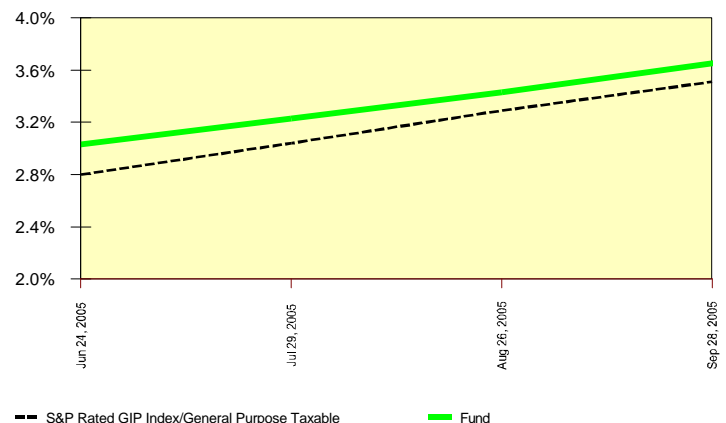
**Data Bank as of September 28, 2005**

Net Asset Value per Share..... \$1.00  
 Weighted Average Maturity..... 48 days  
 Net Assets (millions)..... \$2,199.41

7 Day Yield..... 3.65%  
 30 Day Yield..... 3.52%  
 Inception Date.....

**Net Assets and Weighted Average Maturity (WAM)****Portfolio Maturity Distribution as of September 28, 2005****Portfolio Credit Quality as of September 28, 2005 \***

\*As assessed by Standard & Poor's

**Portfolio 7 Day Yield Comparison \***

\*S&P Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P to within the specific rating categories. The S&P Rated GIP Indices are calculated weekly by S&P and are comprised of 'AAAm' and 'AAAm' government investment pools.

**Principal Stability Rating Approach and Criteria**

Principal Stability Fund Rating, also known as a Money Market Rating, is a current opinion of a fund's capacity to maintain stable principal or net asset value. When assigning a Principal Stability rating to a fund, Standard & Poor's focuses on the creditworthiness of a fund's investments and counterparties, the market price exposure of its investments, sufficiency of the fund's portfolio liquidity, and management's ability and policies to maintain the fund's stable net asset value by limiting exposure to loss. Ratings are not commentaries on yield levels.

Standard & Poor's rates money market funds upon request and agreement by fund management to provide necessary information on a timely basis. A money market fund rating evaluates:

**Credit risk:** credit quality, types, and diversity of portfolio investment;

**Market price exposure:** degree of liquidity of investments, distribution and average length of maturities, and volatility of portfolio cash flows;

**Management:** philosophy, operating policies and procedures.

Fund portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior fund executives and public information.

All of the views expressed in this research report accurately reflect our committee's views regarding any and all of the subject securities or issuers. No part of the committee's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

Published by Standard & Poor's, a Division of the McGraw-Hill Companies, Inc. Executive offices: 1221 Avenue of the Americas, New York, NY 10020. Editorial offices: 55 Water Street, New York, NY 10041. Copyright 2005 by the McGraw-Hill Companies, Inc. Reproduction in whole or in part prohibited except by permission. All rights reserved. Officers of the McGraw-Hill Companies, Inc.: Harold W. McGraw, III, Chairman, President and Chief Executive Officer; Kenneth M. Vittor, Executive Vice President and General Counsel; Frank Penglase, Senior Vice President, Treasury Operations. Information has been obtained by Standard & Poor's from sources believed to be reliable. However, because of the possibility of human or mechanical error by our sources, Standard & Poor's or others, Standard & Poor's does not guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omission or for the results obtained from the use of such information. Standard & Poor's receives compensation for rating mutual funds and performing risk analyses. Standard & Poor's rating fees generally vary from \$10,000 to \$100,000. While Standard & Poor's reserves the right to disseminate ratings and risk analyses, it receives no payment for doing so, except for subscriptions to its publications. Standard & Poor's ratings and risk analyses are not recommendations to purchase, sell or hold a security, inasmuch as they do not comment as to suitability for a particular investor. The ratings and risk analyses are based on current information furnished to Standard & Poor's by the fund or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any ratings or risk analyses and may, on occasion, rely on unaudited financial information. The ratings and risk profile categories may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances. "S&P" and "Standard & Poor's" are trademarks of the McGraw-Hill Companies, Inc.